

EXHIBIT 1

INTRODUCTION

Respondent Ignacio De La Fuente is currently the President of the Oakland City Council, and has been an elected member of the council since 1992. As a member of the Oakland City Council, Respondent is subject to the annual gift limits of the Political Reform Act (the “Act”).¹

In this matter, Respondent accepted gifts in the form of parking privileges at the San Francisco International Airport in 2004 and 2005, which exceeded the annual gift limit by \$1,631. Respondent’s violation became known after public disclosure of his parking use in a Bay Area newspaper.

For the purposes of this stipulation, Respondent’s violation is stated as follows:

COUNT 1: In 2004 and 2005, as a member of the Oakland City Council, Respondent Ignacio De La Fuente received gifts in excess of the annual gift limit, in the form of \$1,631 in free parking at the San Francisco International Airport, in violation of Section 89503, subdivision (a) of the Government Code.

SUMMARY OF THE LAW

Prohibition Against Accepting Gifts in Excess of Gift Limit

According to Sections 89503, subdivision (a) and 87200, a city council member is prohibited from accepting a gift from any single source in a calendar year with a total fair market value of more than \$250. The gift limit found in Section 89503 is adjusted biennially to reflect changes in the Consumer Price Index, pursuant to Section 89503, subdivision (f). The annual gift limit in 2004 was \$340, and in 2005 it was \$360. (Regulation 18940.2.)

Section 82028 defines a “gift” as any payment that confers a personal benefit on the recipient to the extent that consideration of equal or greater value is not received and includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status.

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

SUMMARY OF THE FACTS

During 2004 and 2005, as a member of the Oakland City Council, Respondent was prohibited from accepting gifts from a single source that exceeded \$340 and \$360, respectively, in each calendar year. In 2004, Respondent received a restricted parking pass from the San Francisco Airport Commission ("SFAC") to park at the San Francisco International Airport ("SFIA"). According to the SFAC, it provided a letter and information with each parking pass given to a public official advising them that there were limitations on the use of the pass, and that usage could result in a gift which would need to be reported and may be prohibited. The letter informed the recipient that the fair market value of the parking pass was \$5.00 per hour for short term use, and \$31.50 per day for extended use, and therefore, after approximately 11 days of usage, any additional usage would constitute a gift to the official. The letter cautioned the recipient to contact legal counsel or the Fair Political Practices Commission with any questions about the gift limitations or reporting requirements. Respondent De La Fuente stated that he did not recall receiving this information, but SFAC officials stated that the letter was routinely provided to all public officials who were issued a parking pass.

During 2004, Respondent used the parking pass at the SFIA on eight occasions for extended stays over 55 days, incurring parking fees valued at \$1,732.50. During 2005, Respondent used the parking pass at the SFIA on four occasions for extended stays over 19 days, incurring parking fees valued at \$598.50. In early 2006, a local newspaper first reported a list of Bay Area officials who were issued a SFIA parking pass. Respondent's name was included in the list. Respondent acknowledged usage of the pass by immediately amending his 2004 and 2005 Statements of Economic Interests on March 17 and 22, 2006, disclosing the full value of the parking pass usage totaling \$2,331 for both years. Respondent also promptly repaid the full value of the parking fees he received in 2004 and 2005 to the SFAC.

CONCLUSION

This matter consists of one count, which carries a maximum possible administrative penalty of Five Thousand Dollars (\$5,000). Accepting a gift in excess of the legal gift limit is a fairly serious violation of the Act. In the present matter, when confronted with information regarding his usage, Respondent promptly amended his Statements of Economic Interests and repaid the full value of his usage totaling \$2,331. In addition, there does not appear to be any potential for a conflict of interest violation since the Oakland City Council has no authority or jurisdiction over the SFAC or SFIA. Respondent also stated that he did not believe a parking pass from another governmental entity would constitute a gift, and he did not recall receiving the letter and information from the SFAC explaining that it could be a gift, if the gift limit was exceeded.

The facts of this case, and the above aggravating and mitigating factors, justify imposition of the agreed upon administrative penalty of One Thousand Five Hundred Dollars (\$1,500).